

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 10, 1998

Mr. Terry McCallister
Vice President of Mid-Continent Operations
Seaway Pipeline, Inc.
c/o ARCO Pipeline Company
15600 J.F. Kennedy Boulevard, Suite 300
Houston, Texas 77032

Dear Mr. McCallister:

CPF No: 48603W

On September 23, 1997, representatives of the Oklahoma Corporation Commission (OCC) made an inspection of your breakout tank facilities in Cushing, Oklahoma. They acted as representatives of the Southwest Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code.

As a result of the inspection, it appears that you have committed a probable violation of the pipeline safety regulation, Title 49, Code of Federal Regulations, Part 195. The probable violation is:

§195.436 Each operator shall provide protection for each pumping station breakout tank area and other exposed facility (such as scraper traps) from vandalism and unauthorized entry.

Arco Pipe Line Company's Cushing facility has two sides with no security fencing and no other steps have been taken to prevent vandalism and unauthorized entry.

Under 49 United States Code, §60122, you are subject to a civil penalty not to exceed \$25,000 for each violation for each day the violation persists up to a maximum of \$500,000 for any related series of violations. We have reviewed the circumstances and supporting documentation involved in this case, and have decided not to assess you a civil penalty. We advise you however that should you not correct the circumstances leading to the violation, we will take enforcement action when and if the continued violation comes to our attention.

Please refer to CPF No. 48603W in any correspondence/communication on this matter.

Sincerely,

R. M. Seeley
Regional Director, Southwest Region